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"Hundred Flowers" Again

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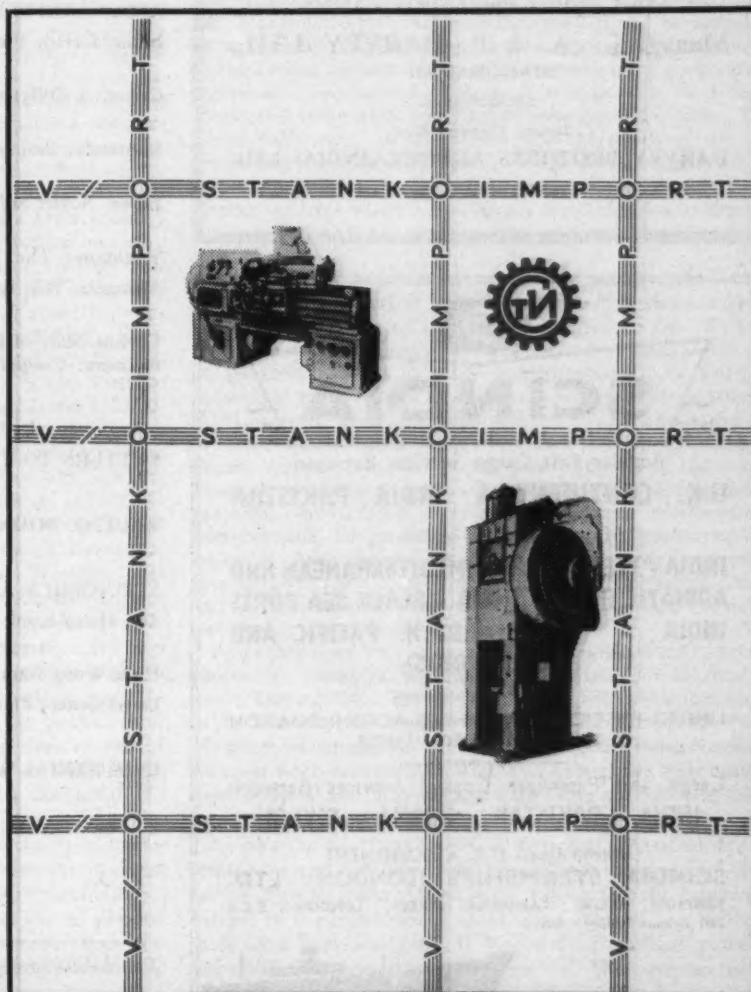
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"Honourable Ties"

WHILE Mr. Kennedy and Mr. Khrushchev were facing each other in the drawing-rooms of Vienna's Schoenbrunn palace to ease—it was hoped—the tension between East and West, America's Vice-President Lyndon B. Johnson was on a very different mission in Asia, a mission which is likely to increase antagonism between the two world blocs. Mr. Johnson's Asian journey, as ill timed as the U-2 adventure on a former occasion, helped to cast doubt on Mr. Kennedy's wish to investigate all avenues for a peaceful survival of this planet and on any hopes that his Administration may adopt more pacific and progressive methods of settling global problems.

Mr. Johnson, in fact, went on a fortnight's arms peddling tour of what he called "free Asia", offering, besides weapons, troops, money and moral support to a larger degree than now to Asia's "chosen leaders". These leaders, indeed chosen by America but not by their respective peoples, refused his offer of American troops "this time", but Mr. Johnson's high-pressure salesmanship was nevertheless showing results. His first call was to that "free" Asian country South Vietnam where, as predicted in our columns (May, p. 12) the 150,000-strong Army will be increased by 20,000 for the time being, and the 70,000 Civil Guard is to be equipped and trained by US military experts on guerilla warfare who will join the present 684-strong US Military Advisory Group (MAG) in South Vietnam. A special, inter-departmental "task force" has been set up in Washington on Mr. Johnson's instigation, to study what further help can be given to President Ngo Dinh Diem. Meanwhile US military aid to South Vietnam will be increased by \$40 million in addition to the annual \$200 million credits to that country. How these measures will help to combat the general dissatisfaction of the people remains nebulous, though it is certain that they will further swell the coffers of a certain family clique and fortify the machinery of internal oppression. But as a remedy against the Communist guerillas (Viet Cong) they will be useless. If 150,000 troops and 70,000 Civil Guards cannot cope with the 6,000-odd guerillas, 20,000 more troops and a few US experts including \$40 million, will only require another few hundred guerillas to join the present ranks of the Viet Cong to bring the situation back to the present stalemate. And whether the "paramilitary" US forces, even if trained at the same centres as the glorious "liberators" of Cuban fame, will fare any better than the latter, or be able to teach the Vietnamese jungle grandmothers how to suck eggs, remains to be seen.

After exuberant assurances to President Garcia in Manila that—despite British and French spoilsports in SEATO—he could always rely on the US to fight Communism everywhere, the Vice-President flew to Taiwan where he gave President Chiang Kai-shek similar assurances. He conveyed a message from President Kennedy stating that there would be "no compromise of the honourable ties that bind us together". Mr. Johnson solemnly affirmed that the US had no intention of recognising the Peking regime, was opposed to its admission to the United Nations and that "new measures of cooperation among the free nations of Asia, as well as with the United States and other countries, were necessary and desirable. The "honourable ties", which indeed bind the hands of the US preventing them to be used for the shaping of a realistic China policy, may not be exactly helpful at the present Geneva Conference on Laos where US delegates are compelled to breathe the air polluted by the non-existent representatives from Peking.

After having thus calmed down any apprehensions which may have been prevalent in Formosa since President Kennedy, no doubt by a slip of the tongue, referred to the "Taiwan Government" in a speech last April instead of speaking of the "Government of China", the indefatigable Texan and his substantial party (whom he presented with 82 shirts during a short breather in Hong Kong), whirled to Thailand where he promised more military help ("We will not falter, and, Mr. Prime Minister, we will not fail you") and on to India and Pakistan where, amongst profuse handshaking with puzzled peasants, baby-kissing and other well-tried electioneering paraphernalia, he proceeded to win over the masses to US policy in Asia. In the latter two countries, Mr. Johnson's emphasis was more on economic and educational than military aid, and somehow one has the impression that he did not quite know what to sell in these markets.

After this brief visit to, as he proudly pointed out, 606,000 people, he stated in Washington that "freedom in Asia is worth fighting for". But as this fighting will, of course, have to be done by the Asians themselves, the American Vice-President recognises that "behind the protective military screen we must work with the people of Asia to improve their health, their housing and their standard of living so they will have something to fight for". Though it is regrettable that Mr. Johnson's motives for advocating these natural and common-sense aims are not based on humanitarian reasons but only on his hope to make Asians more willing to fight America's battles, it is nevertheless a good thing that he has brought these ideas back with him. If they are implemented, perhaps there will be no need for arms later on. They are the really "honourable ties" the West has with the East.

Neutral Summit

NOTHING of a sensational character is likely to emerge from the preparations for a meeting in Yugoslavia in September of the heads of government of the neutralist countries. India's participation in the talks makes it practically a certainty that there will be no "bloc-building", even though the non-aligned countries have many grievances in common against the West. Judging, however, by the precedents set by the Colombo and Bandung Conferences, the forthcoming meeting of rising, developing powers is bound to create new forces and tendencies in international relations. People who came to scoff at the rag-tag of Afro-Asians and poor-relation Europeans at Bandung stayed to marvel at their firmness. They are unlikely to repeat their initial mistake.

The *communiqué* issued by the preparatory conference in Cairo last month hinted at probably only minimum expectations in its reference to the widening area of non-alignment, which "could be still further widened and so become a fundamental force in the preservation of international peace and security".

The agenda for the September meeting includes problems of disarmament, racialism, imperialism, self-determination, and the economic difficulties of the underdeveloped countries. These are obvious meeting-grounds for the small and medium powers that are learning to fend for themselves in the world. Yet it is very doubtful whether they will be allowed to discuss these matters without some display of bad temper from the great powers, who will certainly feel their own sacred preserves invaded by such discussion.

Slow-motion on Laos

ASIANS are deeply suspicious that the United States are doing everything in their power to prevent the formation of a national government in Laos, entirely an internal affair though this is. Such a government, made up of a coalition among the former rival factions, would take out of the realm of international negotiation the problems of the cease-fire line, including its control and guarantee by the International Control Commission. The fourteen powers now meeting in Geneva will then be left with the task of agreeing among themselves not to interfere with the unity, neutrality and independence of Laos.

This goes entirely against the grain of American thinking on this issue. It is feared in Asia that, in spite of President Kennedy's declaration in favour of a neutral Laos—the sole point of agreement between him and Mr. Khrushchev in Vienna last month—there is deliberate procrastination in making a reality of this policy. Implicit in it is agreement with Russia, which still sticks in the American throat.

The US delegation in Geneva, as late as the middle of June, seemed still unable to shake off its obsession with the cease-fire line, which it insisted was being violated, and maintenance of the cease-fire neither controlled nor guaranteed by the International Control Commission. Mr. Gromyko, for the Soviet Union, declared angrily that if the US had its way, the Conference would sit indefinitely on the shores of Lake Geneva counting the swans.

Mr. Krishna Menon, who led the Indian delegation, shared this view, pointing out that in the entire month since the opening of the Conference on May 16, it had sat for a total of

only 28 hours. This amounted to about an hour a day—a very poor showing compared to the work of the International Control Commission on the spot in Laos.

A sense of reality and indeed of urgency was only brought in at the Geneva Conference in the statement of Prince Souvanna Phouma and Prince Souphannouvong, before their meeting with the pro-American Boun Oum in Zürich, that the settlement of the civil war was a matter for the Laotians themselves. What they wanted the International Commission to do was to supervise the withdrawal of foreign troops and to prevent foreign intervention, and possibly also to supervise the general election that might follow agreement among the Laotian parties.

This is simple common-sense. But because it would make difficult a graceful retreat by the Americans, the US is marking time in order to give the cascade of arguments a chance to blur the failure of American policy in Laos.

"Himalayan Federation"

SIKKIM, the tiny but strategically vital Himalayan kingdom, is once again in the news. Surrounded by Bhutan, Nepal, Tibet and India, its position has lent it great significance ever since the Sino-Indian frontier disputes began. The Indian Government is responsible, under treaty obligations, for the external relations of both Sikkim and Bhutan. Peking has been trying to extend its influence in both these countries, and its activities have caused acute concern to the Indian Government.

There is considerable dissatisfaction with the autocratic administration of the Maharajkumar or Crown Prince. Opposition to it is led by the Sikkim National Congress, which is supported by the Nepalese community which constitutes over half of the total population of the country. But even the Lepcha minority is turning more and more to it, and it is significant that in a recent mass demonstration organised in protest against the absence of democratic practices in Sikkim the Lepchas turned out in large numbers side by side with the Nepalese. While the main opposition demand is for the setting-up of a popularly-elected administration, the Maharajkumar has used this as an excuse to try to disenfranchise the Nepalese, and to deprive them of their status as Sikkimese subjects. According to reports from New Delhi, the Maharajkumar, during his visit there last month, managed to persuade the Indian Government to agree to a new set of rules governing the conferment of Sikkimese citizenship. Details were not available at the time of going to press, but it can be predicted that any attempt to discriminate against the Nepalese will not only intensify present discontent, but also strain relations with neighbouring Nepal.

It is also reported that in his talks with the Delhi Government, the question of Sikkimese approaches to Bhutan to form a "Himalayan Federation" came up. What the Indian attitude was on this subject is not known, but Delhi can hardly look on it with favour. Once such a federation were successfully set up, irredentist tendencies in and around Darjeeling would immediately pose a threat to the Indians. Not unnaturally, the concept would find favour with the Chinese, and it is reported that they are already openly supporting it. India's role in the involved situation is clear: she should use all her influence to see that democratic reforms are introduced in Sikkim, and more representative system of government set up. Without these there can be no genuine political stability.

A YEAR ago it was thought that starvation and corruption had reached the limit in South Korea. The dictatorship there had become an obvious liability to the USA. Koreans withdrew whatever political support they may have extended to Syngman Rhee, and encouraged idealistic students to dare his police and tanks. The police fired, but the tankmen did not. The "liberal" regime was supplanted by a "democratic" one—double-talk is no monopoly—and the dictator's former henchmen took over the government.

Rhee's Vice-President Dr. John Chang (who had been *Tamooka-san* under Japanese rule) gained the "supreme commissionership" of the "Democratic Party" by bribery and blackmail. Neither democratic nor a party—it had no fee-paying members—and monopolising the state apparatus inherited from the dictatorship, this body swept the polls last July: The voter had less choice than even under Rhee. But the majority of "elected" MPs repudiated Chang, and his friends had to buy a sufficient number of parliamentary votes to give him a majority. He repaid his backers by presenting them with the few remaining assets of the nation: One of his financiers was made head of the nationalised Korean Tungsten Corporation and immediately opened negotiations with a Japanese concern. At the same time John Chang had built up an entirely new "Riot Police" and "Riot Control" units of the 600,000-strong ROK Army, and deployed them in the Seoul region to smash the confidently expected Second April Rising by students and unemployed.

To what extent the politically conscious civilians had adopted neutralism amazed everyone, especially those who had witnessed events on the spot over most of the last year.

Students and others held mass meetings and demonstrations, demanding the evacuation of UN Forces and immediate negotiations with North Korea. The Korean employees of the US Forces attempted to storm the American Embassy. South Korea's press correspondents in Japan publicly fraternised with their North Korean colleagues. Leaders of the so-called parliamentary opposition (which was as unprincipled as Chang's supporters) demanded in the House that "civic" delegations of both Koreas should discuss re-unification. A students' congress issued an invitation to North Korea to send a students' delegation to meet Southerners in the demilitarized zone. (When Chang banned the project, the students announced that they would sing the national air "Arirang" on a certain day, at an appointed hour, inviting their Northern brothers to do the same.) But, warned that an entire Army corps was waiting for them on the anniversaries of the 1960 rising, the students and unemployed cancelled the planned demonstrations, and decided to strike later, at a more opportune moment. Then the Messiah appeared—in the person of Vice-Speaker Min Ho Suh, who had been imprisoned both under the Japanese and under Syngman Rhee. He had been the only politician to whom the militant students would ever listen. But, a man of conservative views, he had refused to lead them either towards neutralism or violent action to overthrow a parliamentary regime, however fraudulent.

John Chang had sent Suh to the UN meeting in New York, to add his voice to the claims of the ROK to be seated and heard. Min Ho Suh is a slow man. But every day convinced him more that South Korea's American sponsors were in no position to secure either re-unification on their terms, or



Jobless at
Port Pusan,
Jan'y 1961

KOREA under THE JUNTA

Frederick Joss

even the admission of the Republic of Korea into the United Nations. It took the all-out efforts of the US to get South Korea the right even to sit at a Committee table—though without the right to vote.

In early May, Min Ho Suh returned to Seoul. His moment had come: He stated publicly that any hope of Korea ever attaining her aims under the UN (read USA) was an illusion: The "Red" and non-committed nations were an unsurmountable stumbling block to the reunification of Korea under American control. Weighing every word, Suh stipulated that the Korean people must evolve an independent policy to gain reunification on their own terms.

The nation held its breath. Suh's careful and cautious words sank in. There was no contradiction. He got ready for the next step: He wrote a statement—or manifesto—itemising concrete measures to be taken at once, including abolition of the ban on inter-family postal correspondence with the North; exchanges in the fields of sport and the arts with North Korea culminating in the formation of an all-Korean team for the next Olympic Games; inter-zonal meetings of cultural and professional bodies and exploration of economic aspects. At the same time Suh stressed that all these steps could be taken without accepting the tenets of Communism, which he continued to oppose.

Publication of Suh's appeal to the nation was arranged for

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May 16. It did, in fact, appear. But at three o'clock the same morning gunfire had ushered in a new era, and two hours later Seoul Radio announced that neutralists would be treated as pro-Communist traitors.

As this is written it is clear that no one can hope to destroy the present regime from the outside. America has swallowed her pride and contents herself with promises of leniency for the crooks she had sponsored. When everything is said and done, Washington vastly prefers *putschist* generals to conservative democrats like Min Ho Suh.

The majority of students are now lying low; a minority professes to approve of various measures taken by the government like the decree limiting loan interest charged to farmers to 20 per cent, decrees intended to destroy or restrict the market for the many shiploads of unlicensed and uncustomed goods imported by Americans and measures involving the wholesale arrest of known racketeers and hooligans.

Can the generals and colonels succeed—assuming for one moment that they are motivated by idealism and able to root out the staggering corruption in their own midst?

The mass arrest of senior and other officers of the Armed Forces and the fact that "strong man" Major-General Chung Hi Park's first agreement with the US C/C General Carter Magruder was thrown out by the majority of the junta reveal fissures and dissensions within the military caste. The South Korean officer corps is plagued by cliquism and jealousy. There are three main groups, each deeply divided into sub-sections, with their leaders eyeing each other like rivaling tomcats.

The thin top layer are the "Japanese", the second the

"Colonels", and the third the "Youngsters".

Among the "Japanese" are Prime Minister Lt.-General Do Yung Chang and Vice-Premier Major-General Chung Hu Park. Both have served with distinction as officers of the Imperial Japanese Army. Former British and Allied Prisoners of War know that Japanese officers of Korean origin outside their Japan-born superior and brother officers in ruthlessness. "Strong man" Park embodies the highest ideals of the pre-war and war-time military caste of Imperial Japan. He volunteered to serve in the Japanese Forces invading Manchuria, was duly commissioned, and graduated with honours from Hsingking (Manchuria) Military Academy. Just under 45 years old, he was the ROK Armed Forces Operations Chief who directed the recent coup d'état. As Member in charge of Political Affairs he now dominates (but fails to control effectively) the present Junta. It is said in Seoul that he sent a Colonel to force his superior General Chang at pistol point to assume the role of a figure-head, and that he then ordered the Colonel's imprisonment for his conduct.

Lt.-General Do Yung Chang—who was ROK Army Chief of Staff and Martial Law Commander under the defunct John Chang government is made of somewhat less diamantine stuff. He was conscripted into the Japanese Army, selected for a Commission and trained at the Imperial Japanese Reserve Officers' Academy in Nanking. He is 38.

As former national traitors, the "Japanese" are loathed by the "Colonels" (who include a number of Brigadiers and Major-Generals). The "Colonels" are American-trained and won their spurs in the Korean War. That they are by no means softer than their seniors emerged clearly last summer when the survivors of wholesale massacres of innocent villagers far behind the lines demanded the investigation and punishment of the as yet unpublished crimes committed during the Korean War. The government was forced to appoint investigation committees, but their work was discreetly discontinued.

The third group—unrepresented in the military cabinet—is the largest and roughly ranges from majors down to officer cadets. They are a heterogeneous crowd and their attitude is by no means always predictable. Students have often boasted that the induction of undergraduates into the Army has led to the organisation of secret cells. The germs of the destruction of the military dictatorship in Korea are in the bosom of the military caste itself. Unless they succeed in starting the Korean War again—it is not for nothing that they refuse to sign the armistice agreement.

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"HUNDRED FLOWERS" AGAIN

JOHN LUFF

THE academic field of China is about to bloom again with the "Let a hundred flowers bloom and schools of thought contend" policy. Mr. Mao Tse-tung has given his blessing and the *Red Flag*, the Peking publication, has devoted a long editorial to the project in its latest issue. In discussing the "Hundred Flowers Campaign" of 1961, the *Red Flag* says: "So far as we are concerned, letting a hundred flowers blossom and a hundred schools of thought contend is an active principle in the development of scientific undertakings in a socialist society." This is rather surprising, for it will be remembered that many criticisms made during the previous "Hundred Flowers" campaign took the Chinese Communist authorities severely to task, and in fact led to a number of reforms being made.

It may well be that the introduction of the new "Hundred Flowers" campaign is designed to act as a sort of safety valve in dealing with the discontent with the famine and drastic shortage of consumer goods at the present moment in China. The most important point which emerges from the reports on the campaign is that there must be a "demarcation line". The authorities say they will permit any amount of discussion on academic affairs, but none on political matters. A second point is that the new "Hundred Flowers" campaign is designed to eliminate the anomaly of the "people who acknowledge Marxism-Leninism politically but still suspect Marxism-Leninism academically." Lastly, it is obvious that the campaign is designed to bring to heel those who cannot see the contradictions between a bourgeois world outlook and practical scientific work.

The editorial in the *Red Flag* makes this perfectly clear as it states what it undoubtedly holds to be Mao's view. The editorial is long winded and repetitive, but the first statement is: "Questions of right and wrong in the arts and sciences should be settled through free discussions in artistic and scientific circles . . . they should not be settled in a summary fashion."

"Marxists should not be afraid of criticism from any quarter. Quite the contrary, they should steel and improve themselves and win new positions in the teeth of criticism and the storm of stress and struggle." And further on: "Doctrinaire criticism settles nothing. We do not want any poisonous weeds, but we should carefully distinguish between what is really a poisonous weed and what is really a fragrant flower."

All this seems very mild and extremely liberal, but Mao's views close with this statement: "The task of the sciences is to seek out objective truths. . . . on any scientific question, there can be only one objective truth." To which we might reply, fair enough, but which 'truth' is the objective truth. Which is exactly what the Chinese intellectuals are asking.

It seems, however, that China's intellectuals are, in the main, opposed to Communist indoctrination. This should by no means be interpreted that they are, on the other hand, unduly influenced by western philosophy. China's intellectuals have always followed their own path, and one has only to turn back a hundred years when western influences were first

being made known, and then hammered in by British guns, to appreciate how conservative is Chinese philosophy.

The new move by the Chinese authorities is an attempt to approach the problem from a different angle. We should call the movement, "handling them with kid gloves"; the Chinese phrase for it is *shenhsienhui*, or the "meetings of the immortals". This phrase is not merely an elegant excursion in the Chinese language, because the intellectuals who attend these meetings are expected to make a radical self-reform, or as the Chinese phrase has it, "get rid of their mortal frame" . . . thus become immortals.

But the *Kwangming Daily*, Peking, currently reporting, is not at all satisfied with the progress the "immortals" are making. The same paper has gone so far to say that the three societies who are attending these meetings: the Chiu San Society, the China Association for Promoting Democracy and the Chinese Peasants and Workers' Democratic Society—whose members are mostly intellectuals, could hardly be convinced of the Communist line. The paper says, they are unable to appreciate what is expected of them. Firstly, they have failed to catch up with the situation of the big leap forward. This means, the intellectuals have not seen the light. In other words, they have not discarded all their old ideas before examining the new Marxist theories. I can imagine no country in which this would be more difficult, for even the most illiterate peasant has a high regard for traditional scholarship.

The second accusation aimed at the "immortals" was . . . 'their bourgeois outlook could not meet the requirements of the developments of the Socialist revolution'.

The third accusation declared that the "immortals" were . . . "afraid and tired of reform, and were trying to avoid it". The article concluded rather pessimistically that it would take a very long time to achieve a "thorough reform".

It is not the Chinese traditional method to hit back violently, but it is interesting to note what the Chiu San Society (scientists and technicians) have to say. As scientists and technicians, they ask quite mildly what politics has to do with their work, and add: "Natural Science workers are naturally dialectical materialists, and therefore have no problem of changing their world outlook, for the problem does not exist."

To appreciate the full content of that reply, one has to know the Chinese, but it can be accepted that such a reasonable reply means that "here we are and the next move is yours".

And the question at the moment is, what will that next move be. The position on the board is checkmate, and only violence or compromise can get the game going again. And the Chinese Communist Party wishes to use neither.

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ASIAN SURVEY

LAVISH AID FOR INDIA

From our Indian Correspondent

THE political turmoil in Indian states took an ugly turn in Assam with tragic consequences. Police firing at Silchar resulted in ten deaths and 30 injured. Since the victims were Bengalis agitating for recognition of the Bengali language, the anger in West Bengal was demonstrated at Durgapur. There, at the opening of the All India Congress Committee, a man tried to stab the Congress President. The political agitation continues.

Another move of a sinister nature became known when it was announced that a Muslim Convention was to be held to air Muslim grievances. All sections of progressive opinion, however, fear that it will be the signal for Muslim communalism to consolidate itself afresh. In an already tense communal situation the Convention seems not only an unnecessary but also a retrogressive step. The Congress leaders gave it their support only reluctantly and are now seriously troubled about an alliance with the Muslim League in Kerala. They need the Muslim votes, but an alliance with the League will strengthen communalism.

The uneasy state of the Congress Party was underlined over the question of the Deputy Leader in Parliament. Some-

what optimistically, the post has been looked upon as indicative of succession to Nehru. There is no valid reason for the assumption but an unseemly fight developed between different factions. Mr. Nehru had to interfere in the end and denounced the whole campaign as absurd. The upshot was that possibly the post will be filled only after the next elections. Mr. Nehru has also devalued its importance, and in future there might be two deputy leaders—one for each House.

The long sought for aid for the Third Plan was announced after a meeting of the 'Aid to India' consortium. France became a new member of the club. In total, \$2,225 million of aid has been guaranteed for the next two years and this ensures the launching of the Plan. It is hoped by all that there will be no major difficulty in extending a similar loan during the remaining years of the Plan. But in a plan involving expenditure of over \$25 billion, a gap of \$5½ billion has to be filled from foreign loans. The break up of the shares of the different countries is as follows:

United States	...	...	...	1,045
World Bank	...	...	...	400
West Germany	...	...	...	364
United Kingdom	...	...	...	250
Japan	...	...	...	80
Canada	...	...	...	56
France	...	...	...	30

Total ... 2,225 \$million

The long, and often strained, negotiations over the issue of oil exploration have at last resulted in an agreement between the Government of India and the Burmah Oil Co. Ltd., which has released an area of about 1,800 sq. miles in north-east Assam for oil prospecting by the company. The agreement is on the basis of a 50-50 partnership and the first of its kind in India. It will supersede, as far as applicable, the existing agreements with the company. Another agreement, awaited with interest, is under negotiation with ENI, the well-known Italian oil organisation.

Some new facts and figures about India's economic development came to light recently. Since 1950-51, the national income has gone up by an estimated 41·6 per cent and the per capita income by 16·9 per cent. Agricultural production increased by only 40 per cent while industrial production went up by 95 per cent.

Another significant development has been in the sphere of the cooperative movement. A report released by the Reserve Bank of India records that in 1959-60 nearly 14 per cent of the credit to farmers came from cooperative societies. This share is expected to rise to 42 per cent by the end of the Third Plan. This is one of the most encouraging developments forecasting the release of peasants from the clutches of

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ditional moneylenders, and once confidence in cooperatives established, the process may gather momentum, at a speed calculated even by the planners.

China

A Different Set of Priorities

From a Special Correspondent

In spite of all the optimistic reports and the really great efforts made to sow crops in time under very difficult conditions, nature has undone a lot of work and plunged China into a serious crisis. For the third year in succession the wheat crop of the winter will be poor and since this constitutes nearly 90 per cent of the yearly wheat harvest, a scarcity is inevitable.

Continued drought in certain areas has been added to floods, hurricanes and hailstorms of a violent nature. The storms have done serious damage to all standing crops. The drought which continued till the end of April has also affected spring sowing but as yet it is not possible to assess the damage done to it.

How serious is the food shortage can be measured by the large quantities of cereals ordered from abroad so far and more orders are expected to follow. A total of 4,500,000 tons of cereals have been ordered from Australia, Canada, Germany and other countries. Further, a contract has been concluded with private French firms for 260,000 tons of barley. There is no famine as such, but the food rations cover a bare

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subsistence level diet and there is acute shortage of meat, poultry, sugar and oil. Malnutrition is widespread. Under such difficult conditions a section of the population has become restive but reports of impending revolts and riots are wild misrepresentation of the situation. There has been, however, an increase in petty crime like thieving and pilfering.

The Chinese leadership is fully alive to the dangers of the situation and a drastic change in immediate plans is expected, even if it is not done too openly to avoid incurring the wrath of the people. The reinstatement of Vice-Premier Po I-po is a pointer. He was a leading planner some years back but was relegated to the background because of his different approach to this problem. Recently he has been promoted to the post of Director of the General Office of Industry and Communications in the State Council, giving him control over a number

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of key industries. The significance of this appointment has to be traced back to the *Red Flag*, the theoretical organ of the Communist Party. A few months back Po I-po wrote an article in the journal implying that the existing order of priorities was wrong and planning should become more realistic and less ambitious. He maintained that this made hardly any difference to the ultimate end but in the short run unnecessary difficulties would not swamp the nation. His promotion can only mean that he will be asked to implement his policies. This foreshadows a slowing pace of the Chinese industrial development till agriculture has been put on a more sound footing.

Indonesia

Preparations for Neutralists' Conference

From an Indonesian Correspondent

In May the main interest was focused on President Sukarno's world tour. During his visit to Ghana, he and President Nkrumah issued a communiqué in which they announced continued support for the Gizenga administration in the Congo and for the nationalist movement in Angola, and condemned racial discrimination in South Africa. From Accra the President flew to Cairo, where he had talks with President Nasser and visiting President Sekou Touré on the conference of non-aligned Asian, African and Latin American countries and Yugoslavia, opening in Bled, Yugoslavia, on September 1. Indonesia is one of the chief sponsors of this conference. President Sukarno also paid a short visit to Dublin on May 25. He met President de Valera and had discussions with the Irish Government on general matters of common interest.

The Indonesian military contingent which had been serving with the UN command in the Congo returned to Djakarta on May 23. It had been there for nine months; three men were killed in skirmishes with Mobutu troops.

In Geneva, the Indonesian representative at the recent GATT session urged that the discriminating import tariffs imposed by members of the European Common Market on developing countries be abolished so that the free flow of goods could be ensured. (This question is highly important for Indonesia, since it involves about 40 per cent of her total European exports).

At home, eight political parties were officially recognised under the new simplification of the party system. They include

the Nationalist, Moslem Scholars', Communist, and Catholic Parties.

The long-awaited basic Press Bill, regulating the status of the Indonesian press and journalists, was submitted to the House of Representatives by the Cabinet for approval. Publishing licences will be issued on the recommendation of the Minister of Information and a press council consisting of members representing the Government, publishing firms, and journalists. Newspapers will be published by the Government itself in a number of regions in order to accelerate the process of spreading an understanding of "guided democracy" and Indonesian socialism.

In Central Java, the notorious Mount Merapi volcano, which erupted in 1954 killing 44 people, was again active. One strong tremor shook the city of Jogjakarta, 15 miles away, cracking the walls of houses. Hundreds of families have already been evacuated from villages on the Merapi's slopes and resettled elsewhere.

Japan

Soviet Success May Spur Neutralist Trend

From Stuart Griffin, Tokyo

The success of the Soviet Union's manned space flight may have this result in Japan, however undesirable it may be from the Free World point of view: it could easily give new strength and impetus to the neutralist trend, already at high tide here, and it could add to the pressures for closer relations with Communist China.

Praise, both lavish and unilateral, was heaped on the Soviet space achievement, no less than in the USSR itself, but even though the applause was understandable, there were, still, some rather sinister undertones noted.

The Socialist Party, the only organized Socialist Party in the world not to range alongside world opinion, in condemning Russian intervention in Hungary in 1956, hailed the "movement of mankind into the Space Age" through "Russia's grand achievement," but observed that the tension of the Cold War would ease "as the West backed away in awe and fright from Russia... poised to capitalize on its massive new advantage".

Dr. Seizi Kaya, Tokyo University president and the man who glorified student violence that culminated last spring in the Diet Hill riots, cried jubilantly, "only the Soviet Union, with its single-minded system could have brought this glorious feat to reality".

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ADDRESS

CITY COUNTRY

As a subscriber, I (we) understand that I am (we are) entitled to one free insertion of a classified advertisement, limited to 25 words, in the Japan Business News. The text of my (our) Classified Ad follows:

Sohyo, the militant Federation of Japanese Trade Unions that has given such frequent indication of being part and parcel with the fellow-traveller group here and which has long supported the admittedly Communist Zengakoren, the All-Japan Teachers' Union and the Council for Abolition of Atomic and Hydrogen Bombs, hailed the space success for "bringing on not just the Space Age, but the Russian Era as well".

All political parties in Japan issued statements praising the Russian accomplishment. The Socialists and the Democratic Socialists were, in turn, highly congratulatory and abruptly reserved, as if, on second thought realization that the success and the Soviet ascendancy conceivably if uncontrolled, could have potentially unpleasant repercussions for Japan, politically lined up with the West. Even left-wing Japan thus seemed to applaud wildly and then, on second thought, backed away and listen to the echo of its own applause, a little fearfully.

Spontaneous praise was therefore pursued by reconsideration with neutralist overtones. But while the activity might spur head-shaking and an ostrich-like plunge into neutralist lands, "neutralism", as it has so often been practised by the left could easily, resolutely be pushed.

Socialist-Trade Union-Intellectual groups, students and professors, might well renew their demands on the Government to seek a revision of the controversial Japan-US Security Pact. Groups, too, could intensify the pressure on the conservative administration, to plump for Communist China recognition. They could try to hamstring budget appropriations for an augmented Self-Defence Force, the Army, Navy and Air Force that, the War-renouncing Constitution still unrevised, cannot be called either army, navy or air force. And these leftist groups, ominously quiet for the past six months, could precipitate some internal crisis—political or economic—hoping to embarrass or even topple the Ikeda Cabinet as indeed they managed to oust the Kishi Government ten months ago, for

possible additional Socialist gains in the National Diet.

"Neutralism" might well best be served by the Soviet space achievement, no less than the atmosphere of neutralism as it is defined in the minds of the average Japanese who remember war only too well, and who will do almost anything to avoid another involvement.

Singapore

The Tunku's Visit

From Mat Salleh, Singapore

Tunku Abdul Rahman, Prime Minister of the Federation of Malaya, paid one of his infrequent visits to Singapore recently. There were probably several good reasons for him to do so. The Singapore branch of the United Malays National Organization (UMNO) always gives him a headache with its internal bickerings, and this time he came in person to impart some paternal advice. "Support the Singapore Government to further the interests of the Malays," was the gist of his advice. But it was significant, also, that less than a week after his visit, the Opposition to the Singapore People's Action Party (PAP) Government decided to form an alliance made up of the Singapore UMNO, the Singapore branch of the Malayan Chinese Association (MCA), and the Singapore People's Association (SPA). This alliance resembles very much the UMNO-MCA Alliance Government of the Federation of Malaya and would scarcely be viewed with equanimity by the PAP Government, especially considering that the PAP has just lost a by-election in Hong Lim and is due to contest another soon at Anson. Tunku Abdul Rahman had also been invited to address a lunch meeting of the Foreign Correspondents Association of South-East Asia in Singapore, which gave him a platform to air several important matters that had been in his mind for some time. And his visit took place while Singapore was still smouldering from the worst fire it had experienced since the end of the war. One hundred acres of wooden huts with highly-inflammable attap roofs were razed to the ground and 16,000 people rendered homeless. And last but not least, he wanted to fit in a round of golf with Lord Selkirk, British High Commissioner in Singapore.

The one that was given the most publicity in any event, was his after-lunch speech to the Foreign Correspondents Association. First of all, he proposed for the first time in public a "Grand Malaysian Alliance" of Malaya, Singapore,

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Sarawak, Brunei, British North Borneo and Britain. This idea was first proposed many years ago, it will be recalled, when Mr. Malcolm MacDonald was British Commissioner-General in South-East Asia. The fact that the Tunku is merely voicing something that was in the minds of the British Government some years ago will, however, tend to make it suspect. Nevertheless, there is much to be said for an economic and political cooperation of this kind and the first reactions to it have been favourable. Mr. Lee Kuan Yew, Prime Minister of Singapore, has pledged Singapore's support for the proposal—if it meant quicker and easier merger with the Federation. In any case, it will take years to come about and presumably there will have to be first some kind of merger between the three Bornean and the two Malayan territories before the ultimate "grand alliance" can take place. Who, then, will be the senior partner? Are, in fact, all the territories concerned expected to become part of the Federation of Malaya? The Federation of Malaya Constitution allows this. Or will they all be considered as equal partners?

The Tunku then had a few words to say about the Chinese in Singapore noting that despite the massive efforts of the PAP Government "the natural tendency of the Chinese (in Singapore) is to try and make the state a little China". He advised them all to eschew this attitude and strive to make Malaya "our one and only home". "This is exactly what the Singapore Prime Minister wants to do," he added. It was obvious from what the Tunku said that he still did not feel that the time was ripe for a merger between a Chinese-dominated Singapore and a Malay-dominated Federation of Malaya, that the PAP Government has been pressing for ever since it came into office a few years ago.

The Tunku toured the Tiong Bharu area of Singapore that had been razed to the ground by fire two days before his visit. It was the old, old story of fires in Singapore, where there have been two other big fires since the end of the war but neither of them was as disastrous as this. The houses were

veritable fire-traps, there were no easy access roads into the heart of the area, and the water pressure was insufficient. To make matters worse, it was Hari Raya Haji, a Malay festival day, and many of the Malay firemen and policemen were off duty and had to be recalled from all over Singapore. The miracle was that only four persons lost their lives in the conflagration.

The Minister for Home Affairs, Mr. Ong Pang Boon, would not commit himself about the cause of the fire and go beyond saying that the police were "strenuously continuing with their efforts to ascertain the cause", but arson was not ruled out. Rumour has it, in fact, that it was the outcome of a long-standing feud in Tiong Bharu between the notorious 08 and 24 secret societies, to which most of the adult male residents of this locality belong. One or the other of these gangs, as the story goes, deliberately set fire to the houses of the head men of the rival gang. This rumour was heightened by the fact that on the following day, an abortive attempt was made to set fire to another "shanty-town" area adjoining the one that had been razed to the ground. A firebrand arrow was fired into the attap roof of a hut but fortunately the fire was put out before it caught hold. These firebrand arrows are part of the standard arsenal of Chinese secret societies in Singapore.

Australia

Will Reason or Obstinacy Prevail?

From Charles Meeking, Canberra

There are some faint but hopeful indications of a gradual change of view in Australia on the West Irian dispute. This does not mean that the political parties are prepared to rescind their prolonged support of the Dutch. It does mean that many influential voices are being raised to advocate the Indonesian view and to warn Australia of its imminent danger.

Reporting to Parliament on the recent talks with Indonesian Defence Minister, General Nasution, the Prime Minister, Mr. R. G. Menzies, said he had once more made it clear that Australia attached great importance to sovereignty. "I said we recognised Dutch sovereignty in New Guinea, with all that such recognition involved, and that we could not reasonably or successfully be asked to reverse this recognition." Mr. Menzies added more references to the "rights" of the Papuans in New Guinea to "self-determination," but then after admitted that if the Dutch and Indonesians reached a peaceful agreement then that would be recognised. This, some commentators were prompt to point out, was rather inconsistent. In other words, self-determination would not matter if the Dutch yielded. That at least was realistic.

The stand on sovereignty was more challenging, and dangers are more apparent. One Australian weekly journal, implacably opposed to anything Indonesian, ran a long article headed, "The Coming War in Dutch New Guinea". It asked what could be done, and came up with the idea that Australia should promote an international control commission to guarantee the independence of West New Guinea, "ignoring the certainty that such a move would certainly guarantee the permanent enmity of Indonesia towards Australia."

This attitude seemed to stir some disturbed reactions. The

newspapers quoted, with some reluctance, the views expressed in the London "Economist" that it was doubtful whether the Dutch would persevere with their policy, which in any case might mean more trouble.

There were warnings by some well-informed Australians at the same time. It was pointed out that the training of an élite by the Dutch was far from the assumptions of democracy embodied in the "self-determination" catchcry; that the Indonesians would probably be able to do at least as much for the Papuans as the Dutch were doing; and that Australia might have made more time for itself in which to solve its own east New Guinea problems if it had not now identified the two areas in the world political arena.

There was also a clear suggestion that if Indonesia decided to take West Irian by force there would be no interference by the United States or any European power. Professor W. Macmahon Ball, of Melbourne University, put this point emphatically, and reinforced it.

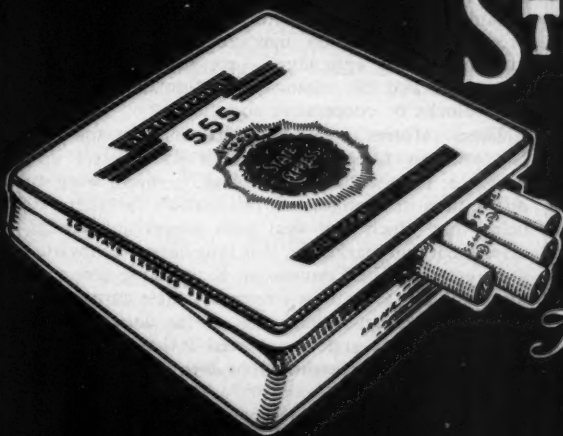
Some Australian observers believe that the United States may soon seek to promote new talks between Holland and Indonesia, and that Australia should either take the initiative first, or at least support such a move from the outset. Will the Government in Canberra remain obstinate, or become reasonable?

The decision to send two Papuans from east New Guinea to the meeting of the UN Trusteeship Council was obviously designed to persuade the Council that it will be many years before the native peoples in the eastern half will be ready for self-determination. Many of the educated natives have declared that they do not wish to be "deserted" by Australia, just as Dutch-trained Papuans in Hollandia have proclaimed

their affection for the Dutch. In each case the privileged natives concerned might have something to lose by the withdrawal of their present protectors. In the meantime the shape of "self-determination" is still too vague for useful or informed comment. In any case, Australia is some distance from giving "self-determination" to its own aboriginal population.

Some of the States have given aborigines voting rights for many years, but in federal territory, including the Northern Territory where most of the full-bloods and half-castes live, the vote is given only to those who have won "citizenship". Of 16,500 full bloods in the territory, fewer than 80 have won the right to vote—and the freedom to drink alcoholic liquor. Some recent applications have failed, and in the opinion of competent observers rightly so, because the applicants although of good character, had no money or jobs, and needed Government care and assistance. A parliamentary committee is now looking at the problem of voting rights. Influential committees are probing the needs of the aboriginal population for education, housing, proper wages and social services.

There is a good deal of public interest in the problem, and far more enlightened administration since the day when every accessible aborigine was given a red flannel nightcap to celebrate the Jubilee of Queen Victoria. There is also a crying need to stamp out the elements of discrimination and segregation which have appeared in some country towns recently. Australia has met enough hostility already over its immigration restrictions to wish to be branded also as having colour bars inside its own frontiers. The moronic segment of the white population which practices segregation must be treated like its counterpart in portions of the southern United States, and compelled to respect the rights of its coloured fellow people.



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Ceylon

State of Emergency Again

From a Special Correspondent

For the third occasion in three years, Ceylon has had to declare a state of emergency, this time to deal with the Federal Party *satyagraha* (passive resistance) campaign against the Government (see April issue). The aim of the Federalists, who claim to represent the Tamil-speaking section of the population, was to force concessions from the Government on the use of their language. When the Government, too, remained passive, the Federalists became bolder and decided to transform their campaign into a civil disobedience movement. The Government replied with the proclamation of a state of emergency, with a dusk to dawn curfew and strong military guard in the Northern and Eastern Provinces (where the Tamils predominate), imprisonment of Federal Party leaders and a Press censorship.

There have been a few isolated incidents in the North and East after the Government decided to adopt a firm attitude towards the language demonstrators who had earlier brought the administration to a halt in those provinces by picketing government offices.

Due to the censorship, all sorts of rumours have gained currency even in responsible foreign newspapers. There have certainly been a number of deaths, but they are only a fraction of the estimates contained in the exaggerated accounts of sensation-seeking journalists and journals. In actual fact, the situation has been generally quiet throughout the country.

Some Sinhalese as well as Tamil leaders believe that the events of the past few weeks will leave the Tamil minority more embittered and suspicious of the Sinhalese and their Government, but others believe that goodwill will eventually come out of these sad experiences—that the Government and the Federal Party will learn the need for compromise, for it is only through compromise that the language problem in Ceylon can be solved.

Notwithstanding stiff local and foreign pressure, the Government has pushed through legislation to set up a Petroleum Corporation which will import and distribute petroleum products in competition with the existing Shell-Stanvac-Caltex cartel.

Opposition to the Petroleum Corporation Bill came mainly from the three oil companies who see their monopoly threatened. It was said in Parliament during the debate on the Bill that certain foreign governments, too, had exerted pressure on behalf of the companies. The unbearable fact to them is that the Government is going to import oil mainly from Russia.

Mr. T. B. Ilangaratne, Minister of Commerce and Trade, who was responsible for the Bill, said the Government's aim was to get oil from the cheapest sources and that there were no political motives attached to this move. The Bill empowers the Government to take over the property of the oil companies if and when it deems fit and that is what the companies fear most, although compensation has been promised for any assets taken over. Their fear is that ultimately they will lose the Ceylon market (worth about Rs. 125 million annually), just as UK and US oil companies lost the Cuban market.

In fact, it is to the Cuban experience that most of the critics

of the Government constantly refer. They point out that the Russians will use cheap oil as an economic weapon to make Ceylon come to depend on them.

In the country at large, however, there seems to be no such apprehensions, as the people have always welcomed greater trade relations with Communist bloc nations. For some years now Ceylon has had a rubber-rice barter trade agreement with Communist China and considerable imports now come from Russia, Czechoslovakia and other East European countries. The trend is for these imports to increase in volume, as the Government's declared aim is to reduce the dependence on Western markets. But this does not in any way mean that the country is going red.

Pakistan

Cooperative Farming

From our Pakistan Correspondent

In 1959, the new Pakistani regime set up a Food and Agricultural Commission to investigate the causes that hampered agricultural development and to recommend reforms that would accelerate the pace of development and productivity.

The report of the Commission has now been released, and reveals the utter backwardness and stagnation of agriculture in Pakistan. At present, the benefits of modern agricultural science have not penetrated into Pakistan. The farmers still labour under conditions which were left to them generations ago. They are unaware of scientific knowledge since they are illiterate and unable to organise large-scale supply and distribution of their produce. Credits and loans are extremely difficult to obtain and capital investment is negligible.

To overcome these conditions and introduce techniques that will break the old fashioned system, the Commission has recommended some very radical changes and calls for a reorganisation of the agricultural administrative machinery. It proposes mechanisation, new cropping patterns, more capital investment into agriculture, supervising credits, cooperative marketing, and the organisation of small farms into agricultural blocks or cooperative societies.

These reforms will be carried out by the Agricultural Development Corporations which will be set up in each province. They will have two wings: a supply wing will handle distribution of supplies, soil fertilisation, fertilisers, etc., and a field wing which will deal with supervising credits, capital investment and marketing. It is thus hoped to obviate unnecessary red tape. The Commission at the same time recommends that gradually all activity covered by these corporations should ultimately pass into the hands of the cooperatives. And to ensure that this end is achieved it has proposed that the cooperative principle should be weaved into the pattern of the corporations.

The Government has accepted several of the recommendations which are now being worked out in detail, and intends in a phased programme, to set up cooperative societies throughout the country and to introduce compulsory cooperative farming. As the system of cooperatives is totally unknown to Pakistan, its implementation will be quite a difficult task. It will require a great deal of propaganda, publicity and patience to introduce the idea, especially among small farmers.

LETTERS TO THE EDITOR

Indonesia Getting Tough

Sir,—Your fine magazine is known for being usually well informed. Exceptions make the rule however, therefore allow me to criticise your article "Indonesia getting tough" in your April issue.

At no time and never was it agreed that the "parcel" of the Netherlands East Indies "was to be handed over 'In Toto'", as you claim in your article.

Independence was handed over to the United States of Indonesia, with the exception of Western New Guinea. It was, however, agreed at the Round Table Conference that the question of New Guinea would be discussed after one year. Unfortunately, a few months later Indonesia onesidedly cancelled all the agreements of the Round Table Conference, leaving the Netherlands completely free to determine the future of New Guinea.

We, Dutch, sincerely want to give the Papuans self-determination, although we know it would be easier to get rid of this "burden" in a different way, but we will not break the promise we made to this people.

Kindly find out more real facts about this matter before you print anything about it again.

Yours sincerely,

A. J. M. RUITER

Prince's Hotel, Singapore

Arguments about how facts can be interpreted must follow on the nature of the facts discussed. And that is how we see them:

1. At the Round Table Conference in the Hague at the end of 1949, it was intended that Holland was to transfer sovereignty over the whole of Indonesia, from the Dutch Crown to the Republic of the United States of Indonesia.

2. The political status (not the sovereignty) of West Irian (Western New Guinea) was to be the subject of further negotiations to be held within one year of the Round Table Conference.

3. It was the Dutch who subsequently refused to resume the negotiations, bilaterally or under the auspices of the United Nations, especially after previous talks held within this one-year limit (meant to be in Indonesia's favour), had produced no settlement. It may be recalled that Indonesia had submitted the West Irian problem for four consecutive years to the United Nations.

4. The Dutch were committed, before the Round Table Conference, to West Irian remaining part of Indonesia (Lieutenant Governor-General of the then Netherlands East Indies, Dr. van Mook, stated this categorically on several occasions, notably at Den Pasar in 1946).

West Irian has been part of Indonesia for at least 600 years, when it was part of the Matjopait Kingdom, and afterwards of the Sultanate of Tidore, which the Dutch and, later, in 1814, the British recognised.

5. It was just the Dutch who tore up the Round Table Conference Agreement by stubbornly refusing to resume the negotiations about West Irian and, afterwards, by formally and unilaterally incorporating West Irian into the Constitution of the Kingdom of the Netherlands.

Because of this, Indonesians consider themselves no longer bound by the RTC "Agreement", and are now searching for more effective methods to regain West Irian.

Given the truth of these statements—which can easily be checked on their authenticity—we have a situation in which the Dutch themselves abrogated the terms and spirit of the Round Table Conference, changed their minds, and made their "complete unconditional and irrevocable" transfer of sovereignty as they called it, time and again, even before the UN (Dr. Royen),

incomplete, conditional and revocable.

Nevertheless, West Irian is part of Indonesia, which is a free and independent nation. In these circumstances, what does "self-determination for West Irian"—a term so many times misused by the Dutch to disrupt Indonesia—mean? Who recognises a racial - self - determination after Hitler, or an island - self - determination?

Does it make sense for the Dutch to say that the people of West Irian must now "choose" their own future, as a "race" of inhabitants of one island when, incidentally, (on both sides of the Dutch-made demarcation line) Malay and "Papuan" blood are mixed?

That choice, actually, has already been made and fought for, between 1945 and 1950. There was no lack of clarity in the nature of that choice. It was for the independence of the Indonesian nation, and it has been subjected to the armed interference of Dutch policy.

The Indonesian nation is composed of the inhabitants of many islands and half-islands, one of which, West Irian, is still occupied by Dutch troops, in contradiction to the terms of the final settlement reached in the Round Table Conference. To say that, because of this melancholy fact, its people must choose again is to deny the unity of the Indonesian nation.

It is difficult to see how any argument could be produced for this point of view which is not also openly in favour of the maintenance of Dutch colonialism in territory over which they transferred sovereignty more than ten years ago.

It would be rather like—and just as strange as—saying that, because there were German troops in Holland, respect for the "right of self-determination" demanded the holding of a referendum there to discover whether the Frisians, being racially, linguistically and culturally different from the Dutchmen in the South (Zeelanders, etc.), really wanted to remain part of the Netherlands.

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Recent Books

The Ancient Worlds of Asia by ERNST DIEZ (*Macdonald*, 30s.)

Civilisation may be said to have begun when early man ceased his wanderings and took up a settled mode of life. Where was the first land cultivated? We now know that certain table lands in the Andes, East Africa and Iran were amongst the first areas to be developed, followed by settlements in the valleys of the great rivers—the Nile, Tigris, Euphrates and the Yang-tse. For this "landscape" tour of Asia, Professor Diez begins with the civilisation which centred around the Iranian plateau, and gradually moves eastward through central Asia to the Hindu Kush, Burma and China. He gives a brief outline of the rise and fall of the empires which flourished in these regions, and of the art and architecture and religion which they engendered. It is a popular account—the life of Buddha is dealt with in less than a page—but it gives colourful descriptions of everyday life thousands of years ago.

The China Bird by DAVID R. MACGREGOR (*Chatto and Windus*, 42s.)

The history of a shipping company may sound a little austere and dull, but there is a great deal more to 'The China Bird' than dry-as-dust business affairs. Those who love the sea and sailing ships will be delighted and fascinated by David MacGregor's story of Captain Killick and his ships. Captain Killick, to judge from his photograph, was just what one

would imagine an old sea dog to be, and when he retired to set up in business with James Henry Martin (Killick, Martin & Co.) it was largely his first-hand knowledge of ships and the men who sailed in them, that helped to build up the now famous firm of ship brokers.

Mr. MacGregor, who is himself one of the foremost British experts on sailing ships has gathered together an intriguing collection of anecdotes, old documents and accounts which cast light both on life at sea in those adventurous times, and life in the City of London.

China and her Shadow by TIBOR MENDE (*Thames and Hudson*, 35s.)

Mr. Mende, a well-known writer on Asian affairs, visited China in 1959, and this book is the result of his travels in that country. Students of China will find it useful, not only because the author is a shrewd and discerning observer of events and people, but also because, unlike the majority of foreign visitors to China, he was allowed to visit some of the remoter, off-beat regions of the country as Sinkiang, where a great new industrial centre is being developed.

Mr. Mende discusses most aspects of China's internal development, including the striking progress made in the industrial and agricultural spheres (although the current famine and industrial dislocation would seem to contradict his findings somewhat); the absence of freedom; the rigid thought and behaviour patterns imposed by the all-powerful party apparatus. While recognising the historical significance of the revolution, he sees in it elements of both grandeur and misery.

He then goes on to discuss the impact of Communist China on Asia. Quite rightly, he sees her as a world power, and asserts that on developments in East and South Asia in the next two or three decades, much of the future of the world will depend. He shows how China's influence in Asia is increasing, including North Vietnam within her sphere of influence (page 285).

The part of the book in which he compares China's achievements with India's is most interesting and claims that the latter's social revolution lacks the same vigour and element of mass participation. 'China and her Shadow' should be read by both the specialist and the intelligent layman for its detailed analysis of one of the most important questions of the day.

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In the new sixth edition of this celebrated standard work the text has been fully revised and brought up to date by Frederic Benham. Of the fifth edition the *ECONOMIC JOURNAL* wrote: "The book has acquired a maturity and wisdom to be added to qualities of accuracy and precision that it has long possessed. I would myself now regard it as the best available textbook of its kind."

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The Life and Times of D. R. Wijewardene by H. A. J. HALUGALLE (*Associated Newspapers of Ceylon Ltd.*, Colombo, Ceylon) De luxe edition 15s. Ordinary edition 12s.)

D. R. Wijewardene's life (1886-1960) could certainly be described as a success story. Coming from a comfortable merchant family, he went to Cambridge to study law and was called to the Bar. Returning to Ceylon he determined to enter politics and with this end in view, started a newspaper. From these beginnings, he eventually became the most influential newspaperman in Ceylon.

D. R. Wijewardene's life covered a most momentous period in the history of Ceylon and throughout this time he was involved in the struggle for Ceylonese independence. However, his personal life appears to have been singularly unexciting. He was a devoted family man and seems to have led a quiet, domesticated life in private.

Mr. Hulugalle, who was a close associate of Wijewardene for 30 years, has written a plain, straightforward account both of the subject's life and the public events in which he was involved. It is unlikely that this book would appeal to the casual reader looking for "revelations" about a public figure, but there is no doubt that if one needs a sober account of Ceylonese politics during the first half of this century, this book will be of great interest.

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Economics and Trade

THE HONG KONG GENERAL CHAMBER OF COMMERCE

A Century of Service to Hong Kong

From a Special Correspondent

WHEN, in 1861, a group of merchants in the then 20-year-old Colony of Hong Kong first banded themselves together to form a Chamber of Commerce they could hardly have visualised what the future held for their descendants. In those far-off days the Colony was not very far removed from Lord Palmerston's original description of "a barren island, with hardly a house upon it," and trade—which was mainly with China—was bedevilled by every kind of hazard both natural and man-made.

This year the Chamber celebrates the centenary of its formation and one of the ways in which it has marked the event is by the publication of its history in book form.* Written by Mr. W. V. Pennel, an associate editor of the *South China Morning Post*, the history describes how the Chamber was first formed on May 29, 1861, and at its first general meeting adopted as its terms of reference a charter which has stood the test of a century of use. The objects of the new Chamber were: "to watch over and protect the general interests of Commerce, to collect informa-

tion on all matters of interest to the Mercantile Community and to use every means within its power for the removal of every such hindrance; to redress the grievances, and the promotion of the common good; to communicate with Authorities and others thereupon; to form a code of practice whereby the transaction of business may be simplified and facilitated; to receive references, and arbitrate between disputants—the decisions in such references to be recorded for future guidance."

From its earliest days the Chamber took a keen interest in the local affairs of the Colony. A recent statement by the Governor Sir Robert Black, even suggested that the Chamber took upon itself the role of "unofficial Opposition". For example, in 1861 they called "an inconvenience noted by the Committee arose from the method then adopted in the payment of postage in the Colony" and a letter was accordingly addressed to the Colony's Governor suggesting the advantages which would accrue from the introduction of postage stamps. The subject had, in fact, been taken up by the Hong Kong Government and the Governor sent to England a request for a supply of stamps for the Colony.

When in 1870, the expansion of trade with China was hampered by what became known as "The Blockade of Hong Kong"—a semi-official action by the Chinese Provincial Government with the object of enforcing the collection of new customs dues on goods entering Southern China—the Chamber led the action of the business community in protesting against these measures.

One of the many things with which the Chamber concerned itself was the proper lighting of the approaches to Hong Kong harbour and a survey of the China coast. A special fund was raised in 1873 to provide gratuities to native fishermen for reporting unknown reefs and rocks. This fund was still being administered half a century later.

Throughout its history the Chamber has worked hard for the liberalisation of all aspects of China trade, never fearing, if the occasion demanded, to criticise the local government or to petition the Government in the United Kingdom. At the 50th Annual General Meeting the Chairman summarized the Chamber's activities:

"It will, I think, be readily admitted that the record of the Chamber is a good one, and that successive Committees have worked hard, and in most instances successfully, in the interests of the Colony and its trade. While fearlessly advocating views which they believed were in the true interests of the Colony as a whole, even when they found the high British officials, in the Far East or at Home, were disinclined to agree with them, they have, by strictly confining themselves to such questions as rightly fell within their province, and by their moderation of expression almost invariably gained the respect and goodwill of the officials even when failing to secure the full support they desired."

The history tells how, as the years passed, the Chamber widened its activities. It gave financial assistance to the newly

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Fire Brigade Building,
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*Copies of the history are available in the United Kingdom from the Hong Kong Committee Information Service, 16 Bolton Street, London, W.1.

established University of Hong Kong; it also founded a school to teach European merchants the Chinese language; and it was increasingly consulted on local legislation.

"Then came the Pacific War," the history reports. "The attack on the Colony which, with the raid on Pearl Harbour, signalled the start of this War on December 7/8, 1941, was to entail among other things, the death during hostilities or in internment of numerous office holders in the Chamber, and a great many member-firms too suffered losses by death. Members of the Chamber were also foremost in many of the responsible duties during internment."

The complex problems with which the Chamber had to deal in the immediate post-war years included transactions in land during the Japanese occupation, the provision of passages for repatriates and accommodation difficulties arising out of the bombing and looting of residential property, of which over 1000 building units were damaged and over 11,000 destroyed.

The Chamber played a large and vital part in the recovery of trade in the Far East and by January 1950 this had been achieved to such effect that a report in *The Economist* said of Hong Kong: "It is a paradise of order, enterprise and prosperity. In the geometry of world economy Hong Kong has position rather than size. The calm and optimism which prevail in Hong Kong are very surprising to most visitors from the outside world."

Then came the Korean War and, almost overnight, Hong Kong found itself virtually cut off from China with which it had conducted 90 per cent of its trade. However, among the thousands of people who sought refuge in Hong Kong from a troubled China were businessmen, bankers and industrialists. They quickly settled in their new home and invested capital in factories and machinery. Within a few years the emphasis of the Colony's trade shifted from entrepot to the export of locally manufactured goods. The Chamber did everything in its power to assist these new industries and to make the Colony's products known and respected overseas.

1960 was a record year for Hong Kong. Seventy-three per cent of the Colony's total exports worth £246 million were locally produced and no small measure of the Colony's fantastic progress and development must be attributed to the tireless efforts of the Hong Kong General Chamber of Commerce over the past 100 years.

Hong Kong Cameras

MANUFACTURERS in Hong Kong are developing new industries. Among the latest products to arrive in Britain from the bustling Colony are cameras and binoculars.

Mr. Haking Wong, Chairman of W. Haking Industries (Mechanics and Optics) Ltd., said in London recently, "We became interested in the manufacture of cameras and binoculars five years ago, but the first two or three years of our operation involved us in heavy financial loss. After all, we didn't choose an easy industry, and our labour force had to be trained in the intricate processes of precision optical engineering.

"Many of the products turned out by us during those first few years never left our factory because we didn't want to prejudice our future by selling instruments that were not technically efficient."

Mr. Wong's factory in Hong Kong is now producing several models of cameras and binoculars, projectors and viewers for colour transparencies, as well as other optical equipment. Like other Hong Kong industries, Mr. Wong's firm obtains most of its raw materials from Britain.

Mr. Wong was in London to show his cameras and binoculars at the International Photo-Cine Fair, held at Olympia, London, recently.

This is an important landmark not only for Mr. Wong's firm, but also for Hong Kong—for it is the first time that one of the Colony's industries has exhibited in its own right at an



THE HONG KONG GENERAL CHAMBER OF COMMERCE

A HUNDRED YEARS ON...

1861—1961

The Chamber was founded in May, 1861. Today it has 900 members and offers its services to merchants throughout the world who wish to contact Hong Kong businessmen of standing and repute.

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international trade fair.

Previously, the Colony's participation in international trade exhibitions has been organised by the Hong Kong Government's

Trade Promotion Branch, with all local industries represented. This year the Colony will be exhibiting a wide range of products at the Sydney Trade Fair.

DEVELOPMENT PLAN FOR HONG KONG

A LONG-TERM outline development plan for the Sha Tin Valley, Hong Kong, envisages the eventual growth of a new suburban residential township for an estimated 360,000 people. The Sha Tin Valley has of recent years grown into a popular residential area, with modern houses extending along the main road or perched on the steep, wooded hillsides.

The area affected by the Town Planning Board's proposals, which require the approval of the Governor-in-Council before the outline development plan can be implemented, covers some 14,300 acres of mainly agricultural and forestry land and includes the whole of the Valley and Tide Cove. The plan takes in Sha Tin New Town as well as a number of villages and hamlets sprawling from the northern slopes of Lion Rock and Beacon Hill to the village of Cheung Shue Tan, on the west, and to the mining area of Ma On Shan, on the east.

Although the Sha Tin Valley lies within a few miles of the densely built-up urban areas of Kowloon and New Kowloon, it contains as yet relatively little permanent development. The area is devoted principally to agriculture, with industries confined chiefly to those of a rural nature related to the main occupation of farming and livestock rearing.

The Town Planning Board's proposals for certain areas to be set aside for specific uses, some mainly for residential building and others chiefly for industrial or commercial use, while there are reserves for Government and community purposes, such as parks, woodlands, recreation grounds and open spaces. The Board, said a spokesman, was fully aware of the landscape value and scenic beauty of the Sha Tin Valley. In preparing the plan, the Board made every effort to maintain large areas of open green belts as well as sites for recreation and picnic purposes.

It should be possible for a number of the existing villages to remain as they are, at least for a number of years to come. "The outline development plan," he emphasised, "is a long-term one and it is not expected that it will be implemented in full for many years yet."

The plan proposes the reclamation of most of Tide Cove

except for a central strip to provide for a canal of about 1,000 feet wide, parallel to the main shopping commercial centre.

The detailed layouts for each of the proposed zones will provide for additional development roads and land for community uses such as schools and clinics. At the outset, and after the plan has been approved, detailed planning will be put in hand for two of the zones. "Within these zones the tempo of development rests largely with individual landowners," the spokesman emphasised.

The outline zoning provides for 2,045 acres of residential land in eleven separate zones. It is intended that parking facilities, to agreed standards, should be provided within building plots.

"It is not intended that Sha Tin shall become an industrial town either of the magnitude of, or on the same basis as, Tsuen Wan. The three industrial areas earmarked will provide for service industry and a small amount of manufacturing of a specialist nature, suited to the surroundings," the Board spokesman stressed. The plan provides for Sha Tin to be declared an area in which smoky or noxious industry will not be allowed.

Two commercial zones are proposed. The detailed layouts of these zones, which have to be prepared at a later date, will provide for major shopping facilities as well as amenities, such as schools, markets and cinemas.

Reasonably high residential densities will be allowed in main purpose commercial/residential buildings in order that the amenities provided are properly utilised.

A total of 100.6 acres of land has been specifically set aside as open spaces. These areas are intended for active recreation. Other areas are also reserved as open spaces.

Two mining zones take into account the existing mining activities at Ma On Shan, but these zones will not be extended to incorporate other industrial uses.

Provision is made for green belts situated below the catchment areas required for the £40 million integrated water supply scheme on which work has already started.

A green belt between the catchment areas and the boundary of the planning district has been earmarked as a forest reserve.



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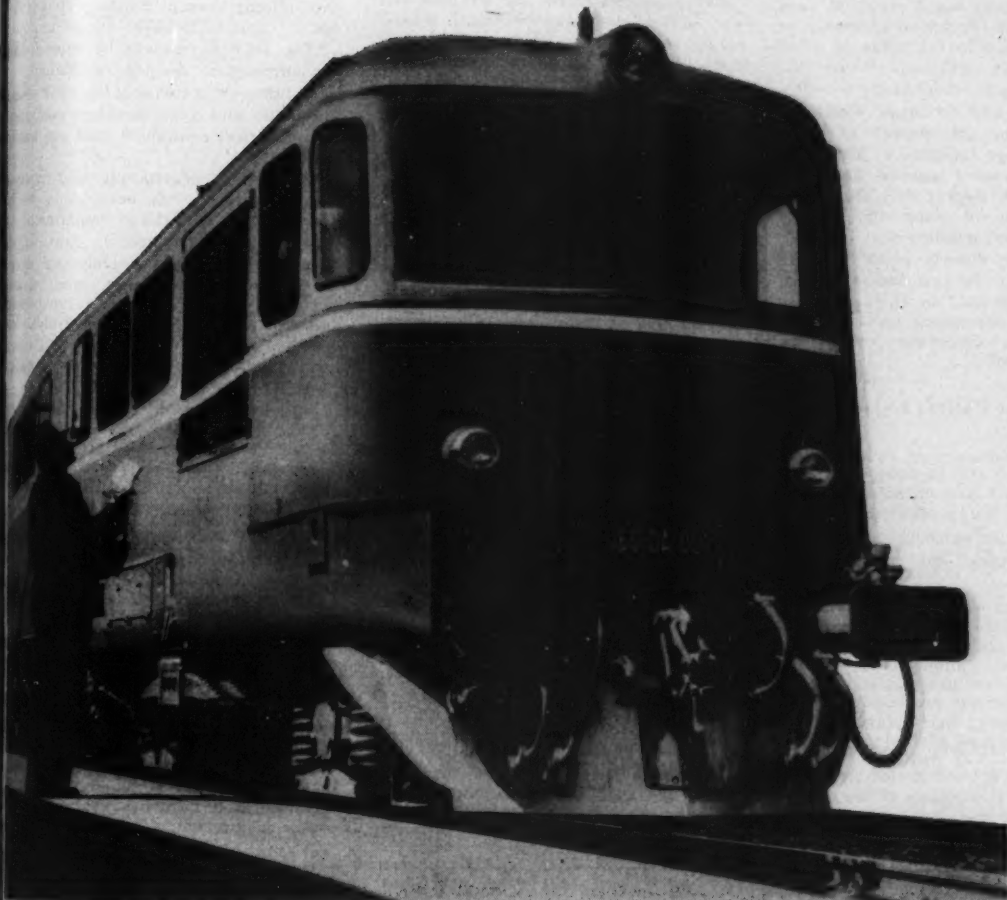
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INDUSTRIAL AND COMMERCIAL NOTES

JAPAN-LAOS COOPERATION EXTENDED

According to the Japanese Ministry of Foreign Affairs the Economic and Technical Cooperation Agreement with Laos has been extended for one year. The original accord came into force on January 23, 1959, for the period of two years, during which Japan was to provide Laos with economic and technical assistance in goods and services to the value of 1,000 million Yen (£1 million). Under the agreement, Japan undertakes to provide economic and technical assistance primarily for the construction of water supply and sewage facilities in Vientiane. According to a recent issue of The Bank of Tokyo Weekly Report only about Yen 46 million worth of goods and services have so far been supplied and the construction work is not yet under way. In view of this fact the two nations agreed to extend the Accord so that economic and technical cooperation may be fully materialized in conformity with the original agreement.

DLF LOAN TO PAKISTAN FOR RAILWAYS

The US Government announced approval of \$6,500,000 Development Loan Fund loan to the Government of Pakistan to be used for the procurement in the United States of railway equipment needed to improve service on the Pakistan Western Railway.

The DLF funds will be used to procure 23 broad-gauge diesel electric locomotives, plus rails, rail fittings, sleepers, points, crossings, special timber, and miscellaneous items of structural material needed in improving terminal facilities.

During the past four years, freight haulage on the railways of West Pakistan has been increasing at an average rate of 5 per cent a year. If the goals of the second five-year plan are met, it is estimated that by 1965 freight tonnage will have in-

creased by almost 40 per cent.

In addition to this normal traffic increase, the next ten years will see an increasing volume of freight haulage in connection with the construction of the great Indus Basin project. By 1962 this traffic alone is expected to reach almost 2,000,000 tons per year.

Other equipment for the Pakistan railway system is being provided through credits in Germany and the United Kingdom. The DLF-assisted undertaking was justified and found feasible independently of these other segments of the work.

This is the third DLF loan to assist railway rehabilitation in Pakistan. The first, for \$9.1 million was signed in February 1959, and the second, the \$22 million, in January 1960.

DLF APPROVES LOANS FOR TWO INDIAN POWER PLANTS

Two thermal power plants to support development of the mineral and industrial potentialities of two Indian States will be built with assistance of US Government loans totalling \$41.4 millions. The Development Loan Fund announced its approval of these loans.

The total power-generating capacity available in India by the end of this year is estimated at 5,800,000 kilowatts. It is estimated that by 1966, India will need almost 12,000,000 kilowatts, and by 1976, 30,000,000, if the nation's economic-growth objectives are to be attained.

Including these two, the DLF has now approved assistance to nine specific power projects in India with direct loans totalling \$111.6 millions. In addition, DLF has made a general power loan of \$10 millions.

The two projects involved are:

Talcher Power Plant, DLF loan \$33 million—The DLF loan will meet all foreign-exchange costs of erecting and equipping a 250,000-kilowatt thermal plant in the State of Orissa, and of build-

ing 144 miles of transmission line. Procurement with DLF funds will be in United States.

Four years ago, Orissa had only 21.5 kilowatts of generating capacity compared with 479,000 and 710,000 in neighbouring states to the north. Industrial development was correspondingly retarded. Projects already underway are expected to bring Orissa's capacity to about 280 kilowatts by the end of 1961, but further power is urgently needed.

The new plant will be located in a coal-mining town of Talcher. It will consist of four 62,500-kilowatt generators.

The DLF funds will be used for procurement in the United States of four turbo-generator sets, the four boilers, the ingots and cores, auxiliary mechanical and electrical equipment, and engineering services.

Preliminary engineering and planning for the project has been done by Orissa State Electricity Department. US consulting engineering firm will be engaged to perform engineering design, procurement, supervision, and start-up services. Site preparation and building construction will be done by local contractors and local labour, and most equipment will be installed by its suppliers.

Birsinghpur Power Plant, DLF loan \$10 million—This 60,000-kilowatt plant will be built at Amlai, near Birsinghpur, the State of Madhya Pradesh. The project also includes 352 miles of transmission line, related sub-stations, and ancillary distribution facilities. Inasmuch as application for this loan was submitted before completed engineering and design specifications before the DLF announced its procurement policy on October 23, 1965, procurement with DLF funds will be worldwide.

Total cost of the project is estimated at \$22.3 million. The \$8.4 million to be provided by DLF will be used to procure two turbo-generator sets, each with 30,000 kilowatts capacity; a 325,000-pound-per-hour coal-fired boiler plant and auxiliary facilities; and switch-gear and electrical control equipment.

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